

JAN 22 2015

# A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. The purpose of this Act is to address certain recommendations concerning non-general funds of the University of Hawaii set forth in Auditor Report No. 14-18, dated December 2014.

PART I.

SECTION 2. The purpose of this part is to re-establish the Hawaii educator loan program special fund as a revolving fund.

SECTION 3. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart D, to be appropriately designated and to read as follows:

**"§304A- Hawaii educator loan program revolving fund.**

There is established the Hawaii educator loan program revolving fund, for the purpose of providing loans pursuant to section 304A-701. The following may be deposited into the revolving fund: appropriations made by the legislature, private contributions, repayment of loans, including interest and



1 payments received on account of principal, and moneys from other  
2 sources; provided that:

3     (1) Moneys on balance in the revolving fund at the close  
4     of each fiscal year shall remain in that fund and  
5     shall not lapse to the credit of the general fund; and

6     (2) An amount from the revolving fund not exceeding five  
7     per cent of the total amount of outstanding loans may  
8     be set by the university to be used for administrative  
9     expenses incurred in administering the revolving  
10    fund."

11     SECTION 4. Section 304A-701, Hawaii Revised Statutes, is  
12    amended by amending subsection (g) to read as follows:

13     "(g) In accordance with chapter 103D, the university may  
14    enter into written contracts with collection agencies for the  
15    purpose of collecting delinquent loans. All payments collected,  
16    exclusive of a collection agency's commissions, shall revert,  
17    and be credited, to the Hawaii educator loan program [~~special~~]  
18    revolving fund. A collection agency that enters into a written  
19    contract with the university for the collection of delinquent  
20    loans pursuant to this section may collect a commission from the



1 debtor in accordance with the terms of, and up to the amounts  
2 authorized in, the written contract."

3 SECTION 5. Section 304A-2161, Hawaii Revised Statutes, is  
4 repealed.

5 ~~["§304A-2161] Hawaii educator loan program special fund.~~

6 ~~There is established the Hawaii educator loan program special~~  
7 ~~fund, for the purpose of providing loans pursuant to section~~  
8 ~~[304A-701]. The following may be deposited into the special~~  
9 ~~fund: appropriations made by the legislature, private~~  
10 ~~contributions, repayment of loans, including interest and~~  
11 ~~payments received on account of principal, and moneys from other~~  
12 ~~sources; provided that:~~

13 ~~(1) Moneys on balance in the special fund at the close of~~  
14 ~~each fiscal year shall remain in that fund and shall~~  
15 ~~not lapse to the credit of the general fund; and~~

16 ~~(2) An amount from the special fund not exceeding five per~~  
17 ~~cent of the total amount of outstanding loans may be~~  
18 ~~set by the university to be used for administrative~~  
19 ~~expenses incurred in administering the special fund."]~~



## PART II.

SECTION 6. The purpose of this part is to re-establish the community colleges special fund as a revolving fund.

SECTION 7. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart D, to be appropriately designated and to read as follows:

"§304A- Community colleges revolving fund. (a)  
Section 304A-2003 notwithstanding, there is established a  
community colleges revolving fund to receive, disburse, and  
account for funds of programs and activities of the community  
colleges, including but not limited to off-campus programs,  
summer session programs, overseas programs, evening sessions,  
study abroad, exchange programs, cultural enrichment programs,  
and consultative services that help make available the resources  
of the community colleges to the communities they serve.

(b) The revolving fund may include deposits from:

(1) The University of Hawaii tuition and fees special fund  
established in section [304A-2153];

(2) Tuition, fees, and charges for affiliated  
instructional, training, and public service courses  
and programs; and



1        (3) Fees, fines, and other money collected for:

2            (A) Student health;

3            (B) Transcript and diploma;

4            (C) Library;

5            (D) Facility use;

6            (E) Child care;

7            (F) Auxiliary enterprises;

8            (G) Alumni; and

9            (H) Other related activities."

10        SECTION 8. Section 304A-2162, Hawaii Revised Statutes, is  
11 repealed.

12        ~~["**[S304A-2162]** Community colleges special fund. (a)~~  
13 ~~Section [304A-2003] notwithstanding, there is established a~~  
14 ~~community colleges special fund to receive, disburse, and~~  
15 ~~account for funds of programs and activities of the community~~  
16 ~~colleges, including but not limited to off-campus programs,~~  
17 ~~summer session programs, overseas programs, evening sessions,~~  
18 ~~study abroad, exchange programs, cultural enrichment programs,~~  
19 ~~and consultative services that help make available the resources~~  
20 ~~of the community colleges to the communities they serve.~~

21        ~~(b) The special fund may include deposits from:~~



~~(1) The University of Hawaii tuition and fees special fund established in section [304A-2153];~~

~~(2) Tuition, fees, and charges for affiliated instructional, training, and public service courses and programs; and~~

~~(3) Fees, fines, and other money collected for:~~

~~(A) Student health;~~

~~(B) Transcript and diploma;~~

~~(C) Library;~~

~~(D) Facility use;~~

~~(E) Child care;~~

~~(F) Auxiliary enterprises;~~

~~(G) Alumni; and~~

~~(H) Other related activities."]~~

### PART III.

SECTION 9. The purpose of this part is to repeal the University of Hawaii alumni special fund.

SECTION 10. Section 304A-2175, Hawaii Revised Statutes, is repealed.

~~["[**S304A-2175**] **University of Hawaii alumni special fund.**~~

~~There is established the University of Hawaii alumni special~~



1 ~~fund into which shall be deposited funds and proceeds received~~  
2 ~~by the university from alumni activities and donations from~~  
3 ~~alumni. Funds deposited into this special fund may be expended~~  
4 ~~by the university for all costs associated with conducting~~  
5 ~~alumni affairs, activities, and programs for the university~~  
6 ~~system, including but not limited to expenses for honoraria,~~  
7 ~~hotel and room rentals, food and refreshment, printing and~~  
8 ~~mailing, banners and signs, plaques and awards, airfare and per~~  
9 ~~diem, leis, rental of audiovisual, musical, and stage equipment,~~  
10 ~~and activity supplies and materials, without regard to statutory~~  
11 ~~competitive bidding requirements." ]~~

12 PART IV.

13 SECTION 11. The purpose of this part is to repeal the  
14 animal research, Waialeale, Oahu special fund.

15 SECTION 12. Section 304A-2177, Hawaii Revised Statutes, is  
16 repealed.

17 ["~~§304A-2177~~] ~~Animal research farm, Waialeale, Oahu special~~  
18 ~~fund.~~ There is established the animal research farm, Waialeale,  
19 Oahu special fund for the animal research farm, Waialeale, Oahu,  
20 operated by the college of tropical agriculture and human  
21 resources of the University of Hawaii, into which shall be



1 ~~deposited the receipts from fees realized from the sale of~~  
2 ~~livestock, services, and supplies. Funds deposited into this~~  
3 ~~special fund shall be expended for animal research, and services~~  
4 ~~and supplies related thereto."]~~

5 PART V.

6 SECTION 13. The purpose of this part is to repeal the  
7 career and technical training projects revolving fund.

8 SECTION 14. Section 304A-2268, Hawaii Revised Statutes, is  
9 repealed.

10 ["~~S304A-2268~~] ~~Career and technical training projects~~  
11 ~~revolving fund; University of Hawaii at Hilo. There is~~  
12 ~~established the career and technical training projects revolving~~  
13 ~~fund for the career and technical training projects of the~~  
14 ~~community colleges and the University of Hawaii at Hilo into~~  
15 ~~which shall be deposited the receipts from fees for services,~~  
16 ~~supplies, and use of equipment provided by or in connection with~~  
17 ~~these projects. Funds deposited in this account shall be~~  
18 ~~expended for vocational and technical training projects, and~~  
19 ~~supplies, equipment, and services related thereto."]~~





## PART VI.

SECTION 15. The purpose of this part is to repeal the Senator Hiram K. Fong scholarship program endowment trust fund.

SECTION 16. Section 304A-2353, Hawaii Revised Statutes, is repealed.

~~["§304A-2353] The Senator Hiram L. Fong scholarship program; endowment trust. (a) There is established the Senator Hiram L. Fong scholarship program to be administered by the university with proceeds from an endowment trust that shall receive its initial funding by an appropriation out of the general revenues of the State. The program shall provide financial support to students enrolled at any campus of the university.~~

~~(b) Awards shall be granted annually to one female student and one male student who:~~

- ~~(1) Are graduates of a public high school in the State;~~
- ~~(2) Are upperclassmen at the university;~~
- ~~(3) Submit winning essays to the board of regents on the senator's contributions to Hawaii;~~



~~(4) Have a demonstrated commitment to local community issues, as shown by volunteer work and participation in community organizations; and~~

~~(5) Have a demonstrated interest and knowledge of the history of immigration to Hawaii.~~

~~(c) The amount to be awarded to a student shall be determined by the board of regents with due regard to the total amount of funds available for the program. The award that a student receives under this program may be used to:~~

~~(1) Pay for the costs of tuition and fees for a single academic year;~~

~~(2) Pay for the costs of textbooks and other instructional materials for a single academic year;~~

~~(3) Pay for the costs of room and board at a dormitory or apartment maintained by the university for a single academic year; or~~

~~(4) Defray the difference between student need, as determined by the Free Application for Federal Student Aid, and the total cost of attendance for a single academic year.~~



~~(d) The board of regents shall adopt rules to implement the Senator Hiram L. Fong scholarship program. The rules shall be adopted pursuant to chapter 91 but shall be exempt from the public notice and public hearing requirements.~~

~~(e) The scholarship program shall be funded with proceeds from an endowment trust established with initial funding by an appropriation out of the general revenues of the State and shall be administered by the board of regents for the purposes of supporting the Senator Hiram L. Fong scholarship program."~~

## PART VII.

SECTION 17. The purpose of this part is to repeal the Senator Oren E. Long scholarship program endowment trust fund.

SECTION 18. Section 304A-2354, Hawaii Revised Statutes, is repealed.

~~["[§304A-2354] The Senator Oren E. Long scholarship  
program; endowment trust. (a) There is established the Senator  
Oren E. Long scholarship program to be administered by the  
university with proceeds from an endowment trust that shall  
receive its initial funding by an appropriation out of the  
general revenues of the State. The program shall provide~~



1 ~~financial support to students enrolled at any campus of the~~  
2 ~~university.~~

3 ~~(b) Awards shall be granted annually to one female student~~  
4 ~~and one male student who:~~

5 ~~(1) Are graduates of a public high school in the State;~~

6 ~~(2) Are upperclassmen at the university; and~~

7 ~~(3) Submit winning essays to the board of regents on the~~  
8 ~~senator's contributions to Hawaii.~~

9 ~~(c) The amount to be awarded to a student shall be~~  
10 ~~determined by the board of regents with due regard to the total~~  
11 ~~amount of funds available for the program. The award that a~~  
12 ~~student receives under this program may be used to:~~

13 ~~(1) Pay for the costs of tuition and fees for a single~~  
14 ~~academic year;~~

15 ~~(2) Pay for the costs of textbooks and other instructional~~  
16 ~~materials for a single academic year;~~

17 ~~(3) Pay for the costs of room and board at a dormitory or~~  
18 ~~apartment maintained by the university for a single~~  
19 ~~academic year; or~~

20 ~~(4) Defray the difference between student need, as~~  
21 ~~determined by the Free Application for Federal Student~~



1           ~~Aid, and the total cost of attendance for a single~~  
2           ~~academic year.~~

3           ~~(d) The board of regents shall adopt rules to implement~~  
4           ~~the Senator Oren E. Long scholarship program. The rules shall~~  
5           ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
6           ~~public notice and public hearing requirements.~~

7           ~~(e) The scholarship program shall be funded with proceeds~~  
8           ~~from an endowment trust established with initial funding by an~~  
9           ~~appropriation out of the general revenues of the State and shall~~  
10          ~~be administered by the board of regents for the purposes of~~  
11          ~~supporting the Senator Oren E. Long scholarship program." ]~~

12                                   PART VIII.

13          SECTION 19. On July 1, 2015:

14          (1) The unencumbered funds in the special funds repealed  
15               by section 5 and 8 of this Act shall be transferred to  
16               the revolving funds established by sections 3 and 7 of  
17               this Act; and

18          (2) All unencumbered balances remaining in the accounts  
19               and funds repealed by sections 10, 12, 14, 16, and 18  
20               of this Act shall lapse to the credit of the general  
21               fund.



# S.B. NO. 160

1        SECTION 20. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3        SECTION 21. This Act shall take effect on June 30, 2015.

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INTRODUCED BY:

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**Report Title:**

University of Hawaii Non-General Funds; Auditor's  
Recommendations

**Description:**

Implements certain recommendations of the Auditor concerning  
University of Hawaii non-general funds.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

